

## **Institutions and the commodification of coffee in Uganda**

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### **Introduction**

The story of the emergence of coffee in Uganda can be simply and quite remarkably stated. A wild bush, of little commercial consequence to the local populace, recognised primarily as a bean to be used in the traditional blood brotherhood ritual, was transformed over a hundred years into a widely cultivated and traded commodity. Today Ugandan coffee is part of a multi-billion dollar agribusiness of global significance.

The commodification of Uganda coffee is a story of far reaching economic change, development, globalisation and transformation. In this paper I reflect on the changes from and institutional perspective. Under this lens I examine a dynamic story of social change in which institutional dominance, emergence, evolution and interdependencies combine to create the complex, intended and unintended outcomes that constitute the current reality of the Ugandan coffee sector. The commodification of coffee and the coffee sector's historical development experience is the outcome of interactions and relationships that are enabled and constrained by institutions which are, themselves, part of the ongoing flux of change and continuity in Uganda's socio-economic existence.

### **Background**

Before 1894, Uganda as we see it today did not exist as an economic or political entity. The country we know as Uganda today was essentially a colonial creation, a culmination of various intervening British colonial interests of somewhat mixed intent. Uganda was created in the collusion and competition between foreign interests, traditional rulers and influential local and foreign notaries. The Uganda coffee sector as we have come to know it today has its roots in this era. It was born around the same time as the Uganda colonial entity was established. Like the Uganda people being formed into a nation, coffee existed before colonial era but was to be transformed. It was commoditised and its meaning and significance changed and shaped over the years to create what we experience today as a key player in a global agribusiness. Thus coffee and its development experience can be seen as encapsulating the changes over time that Uganda as a nation has experienced in its wider development experience.

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Uganda today is a leading African and international coffee producer and exporter. It is Africa's second largest producer of coffee after Ethiopia and the 7th largest coffee producer in the world. The Ugandan coffee sector is renowned for the high quality of its Robusta. The sector has a large geographic and socio-economic footprint. In the 25 years to 2005 coffee contributed an average of US\$ 245 million a year to Uganda's export earnings (Note that Uganda's GNP is circa US\$6000 million a year). Today coffee cultivation stretches across significant parts of the south east and north west of the country. Coffee engages 500, 000 families as smallholding farmers. The sector is believed to benefit about 3.5million directly and employs, directly or indirectly, about 5 million people through which it impacts the livelihoods of about 7million Ugandans - approximately 25% of the population. The coffee tree crop yields two harvest seasons - in line with duality of the rain patterns - concentrated in November to January and June to July. Socio-economically this means that farmers and others in the sector are continually - all the year round - involved in some way with the business of tending, processing and trading the crop. Over the last 5 years Coffee earnings have accounted for just less than 20% of export earnings [BOU 2005<sup>2</sup>]. Coffee thus not only represents a large number people - the way it is grown and marketed encompasses aspects that are the very essence of current Ugandan life. Coffee is at once and the same time rural and urban, modern and traditional, domestic and international, indigenous and foreign, public and private.

### **The development of coffee in Uganda**

The self evident economic significance of coffee to the Ugandan economy today, does not immediately reveal coffee's social and cultural significance within Ugandan society. This can only be appreciated by scrutiny of social associations with coffee that stretch back into a historically intense association within folklore as well as economic history.

In Uganda, coffee is essentially an export crop. Domestic consumption of coffee is negligible. This is for historical and cultural reasons. There is no tradition of coffee consumption in Uganda itself as there is in Ethiopia for example<sup>3</sup>. In Uganda - although Robusta coffee (*Coffea Canephora*) grew wild along the shores of Lake Victoria it was never traditionally used as a beverage<sup>4</sup>. The coffee bean has, however, always had a deep cultural significance amongst the Baganda and within Baganda culture. In pre-colonial times it was not unknown for whole families and clans displaced by war or famine to migrate (Kusenga) and resettle or seek refuge with other communities under the

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<sup>2</sup> In recent years coffee earnings have fallen by 60% due to lower world prices and lower volumes (In part a result of the spread of Coffee Wilt Disease which since 1996, is said to have destroyed about 45% of the older trees)

<sup>3</sup> Ethiopia is Africa's largest coffee producer.

<sup>4</sup> Both countries nevertheless have coffee deeply rooted in their folklore, history and culture. Ethiopian legend as it is retold in Coffee circles, accords a special place for coffee in folklore and culture. The traditional coffee session consists of 3 preparations in accordance with the legend of Abol, Atona and Baraka, 3 men in search of God, expecting Manna from heaven faced starvation. God revealed 2 plants kat and coffee - instructing them to chew the leaves of one and drink the infusion of the other. Each prepared the infusion and offered it to the other two (hence the 3 preparations) at which their hunger disappeared and they were able to continue with their quest. Other legends relate to the discovery of the stimulating effects of coffee by an Abyssinian goatherd in 1445 chewing the coffee cherries after noticing his goats prancing "in an unusually frisky manner" after doing the same. The news is said to have spread to Monks in a monastery and "soon..all the monks of the realm were chewing the berry before their night prayer". In Ethiopian tradition and culture coffee was believed to have hunger suppressing qualities, imbibed with mystical enlivening qualities

protection of a powerful chief or king. Rites and rituals often attended the integration of peoples in the communities. Coffee played a significant role in the Baganda blood brotherhood rite (Okuta Omukago) which often accompanied the affirmation of brotherliness, acceptance and commitment to relationship. In this ritual participants exchanged and chewed beans that had been dipped in each others blood as a sign of brotherly commitment and togetherness<sup>5</sup>.

Before 1900 therefore, coffee growing did not exist in Uganda as an extensive commercial practice. Coffee grew wildy during the pre-colonial period but it does not appear to have been recognised or introduced as a commercial crop until later at the beginning of 20<sup>th</sup> Century, and after the establishment of the British Colonial Authority over the country<sup>6</sup>. The evolution of the Uganda coffee sector to its current incarnation is consequently the result of 100 years of socio economic change and evolution. The transformation of coffee from a natural artefact of ritualistic significance to an internationally traded commercial commodity is best understood through an examination of the complex of social-economic and institutional change that took place between the late 19<sup>th</sup> century and the present day.

### **Distinct phases of development of the coffee sector and the use of a taxonomy of institutions as an analytical aide**

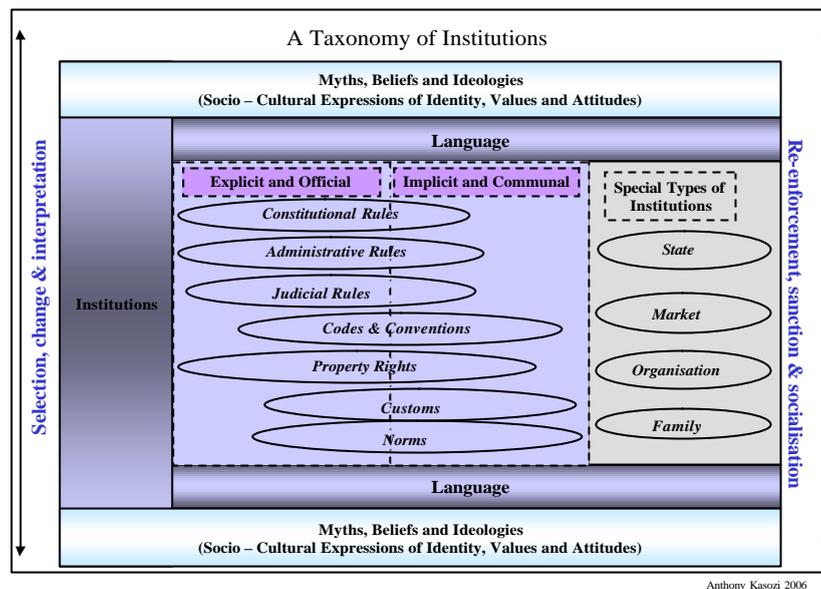
I suggest the use of a taxonomy as an analytical aide to enable the description of the institutional reality and significant changes that have taken place in the Uganda coffee sector over the last 100 years. The taxonomy is also a tool to examine and attempt to explain how the significant institutions identified changed and why.

Institutions can be broadly conceived of as being systems of rules that regulate (constrain and enable human interaction). Within this broad conception there is a wide variety of institutional forms. *Figure 1* below graphically represents this taxonomy showing subgroups of institutional forms within the broad institutional definition.

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<sup>5</sup> Whilst the blood brotherhood cultural ritual is to my knowledge no longer practiced today, Buganda society's inherent openness to outsiders still remains and in some traditional settings a visitor may still be offered coffee beans to chew on visitations within Buganda.

<sup>6</sup> Focus group discussion and exchanges with Uganda coffee sector participants.



Institutions are identified by a set of qualifying characteristics and then differentiated by

- a) *the way they are manifest and recognised*:- the taxonomy differentiates rules and rule systems that are explicitly and officially acknowledged, recognised, adopted and sanctioned, from those that are less implicitly (but not necessarily less authoritatively) acknowledged, and recognised; and
- b) *the scope and extent of their influence and applicability in a specific society* - the taxonomy differentiates between rules and rules systems that are widespread and applicable across a society (regardless of the uniqueness of relational groupings that make up that society) and those that tend to be more specific and applicable to narrowly defined / specific relational groups within a society.

From an institutional change and development perspective it is possible to identify three distinct phases through which the Uganda coffee sector was created and transformed into its current manifestation:

- a) The *first phase* was the colonial / establishment period – in which coffee was first identified and exploited as a commodity.
- b) The *second phase* was the post independence / intervention period in which the sector was expanded and the state took on an increasingly dominant role in the sector.
- c) The *third phase* was the post conflict / liberalisation phase in which state intervention was substantially rolled back and sector participation and activities reformed.

Using the taxonomy shown above, it is possible to map and analyse the changing characteristics over the whole period. It is evident from that each of these phases occupied distinct (evolving) historical eras with clearly prevailing (and changing) configurations of group identities and interests, socio-cultural myths and ideologies and institutions. Hence the phases are best seen as snapshots of a dynamic, complex and

ongoing evolution – evidently changing overtime time but also distinctly evident as separate from preceding and succeeding phases of development.

This paper focuses on the first phase noted above: involving the establishment and commodification of coffee.

### **The first phase of development: The establishment and commoditisation of coffee**

The first phase of institutional development took place during the colonial period and the emergence of the new independent African nation (i.e. between 1894 and 1962). Prior to this period Uganda coffee did not exist as a traded commodity. Coffee grew wildly during the pre-colonial period but it was not recognised or introduced as a commercial crop until the beginning the 20<sup>th</sup> Century, after the establishment of the British Colonial Authority over the country<sup>7</sup>. The evolution of the Uganda coffee sector to its current incarnation represents nearly 100 years of socio economic change and evolution. This first phase therefore saw the creation and establishment of the Uganda Coffee Sector.

#### **The national level context**

At the national level, the defining feature of this phase of development was the creation of Uganda as a national entity. This single historical event set in motion the other major changes in the power political and institutional landscape that are the defining characteristics of this phase. New constitutional arrangements arrived at in 1894 with the annexation of Uganda as British protectorate and in 1902 with the Uganda Order in Council, created a new overall institutional setting which provided the crucial foundational institutions that enabled the creation and establishment the coffee as a traded commodity.

The 1902 Order in council established British sovereignty and political, legislative, economic, administrative dominance over the indigenous rulers and their associated chiefs, peoples, families and clans. This created a new authoritative identity around which other dominant interests and identities had to be re-aligned. The executive commissioner (later governor) and his associated rule making (legislative) and rule enforcing and sanctioning (executive) powers became the new dominant reality of a dominant colonial administration. The Baganda people – hitherto identified as family and clan members and subjects of the Kabaka of Buganda, were now *additionally* subjects of the British Crown. The interests of the Imperial British Crown rather than those of the King of Buganda were now in the ascendancy. Baganda territorial chiefs (Bakungu) previously under the sole patronage of the Kabaka were gradually to become agents of the colonial administration and not the Kabaka's<sup>8</sup>. The Bataka, clan chiefs overseeing the extensive clan system were to remain closely identified with tradition but the position of the Kabaka<sup>9</sup> was to be relegated in power and authority and marginalised in affairs of state<sup>10</sup>.

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<sup>7</sup> Focus group discussion and exchanges with Uganda coffee sector participants.

<sup>8</sup> Bakungu - territorial heads of the counties - 10 - with sub chiefs and lower notaries. Responsible for dispensing justice, collecting taxes and raising soldiers in the name of the Kabaka.

<sup>9</sup> Traditionally the Kabaka is referred to as Sabataka – the premier head of the Bataka who are the heads of the clans. The Kabaka is thus head of all the clans and unifies the Baganda practically and symbolically

<sup>10</sup> Bataka - 40 - clan chiefs - estates in different territories - clan system regulated by totemic avoidance - provided social relationships of mutual assistance and regulated social interactions and life.

Hence the power of the Kabaka, his chiefs was circumscribed and the power of the colonial executive and European settlers increased<sup>11</sup>.

The new colonial interest also used the newly established sovereign authority to negotiate and initiate a new ownership model. The Buganda Agreement in 1900 introduced a form of land tenure to Uganda that hitherto had not existed. Half the land in Buganda was designated as Crown property whilst the other half was distributed in plots of square miles (to become known as the mailo lands) to 1000 nobles who held them in private ownership. This new resource ownership model introduced the potential for alienation and sale of land as well as opportunities for personal agricultural husbandry and new personal wealth creation and ownership that were eventually to become distanced from the direct patronage of the Chiefs and the Kabaka or the hierarchical position within the family or clan.

Along with the new colonial political interest came the new economic interest and a new economic production and marketing model. The colonialists brought with them new commercial interests in the form of merchants and farmers / plantation owners seeking to grow crops for export. Great pressure was placed on the colonial authorities by European farming interests to establish reserves and to alienate land for commercial use<sup>12</sup>. Hitherto an economy composed of fragmented subsistence activities and rudimentary exchange and commodity barter was to beginning to be transformed (Apter 1967). Now with the new interest and new protective rules the new actors (Export buyers, merchant bankers and foreign farmers as well as agents of the British state) engaged in new economic activities. Thus commercial coffee growing and trading emerged and expanded established on the foundation of European owned plantation agriculture (Zwanenberg and King 1975). Between 1910 and 1914 it is estimated that there were 135 coffee plantations covering 58,000 acres in the Buganda area in the south of the country<sup>13</sup>.

Table 1 below summarises the key distinguishing nation level institutions classified in accordance with the taxonomy advanced:

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<sup>11</sup> The governor ruled by orders and regulatory declarations and was advised and supported by a nominated executive council and legislative council.

<sup>12</sup> As late as 1921 the Carter Commission was recommending that Africans should provide labour and be restricted to subsistence (and not commercial) farming. Uganda was seen as having twice as much high quality land as Kenya and therefore more attractive as a home for large scale plantations.

<sup>13</sup> Focus group discussion and exchanges with Uganda coffee sector participants.

<b>Table 1: Colonial Period – Key Distinguishing Characteristics – National Level Institutions</b>
<p><b><u>Socio-Cultural Expressions of Identity, Values and Attitudes (inc. Myths, Beliefs and Ideologies)</u></b></p> <ul style="list-style-type: none"> <li>• “Kabaka Wange” (“My King”) – Individuals, family and clan member in relationship with and as subjects of the Kabaka</li> <li>• Africans as members of a family and clan in traditionally established administrative and cultural relationship</li> <li>• Kabaka as supreme head of clans (Ssabataka) and of men (Ssabasaja)</li> <li>• Brotherhood (Ab’Oluganda)</li> <li>• Africans as subjects of the Crown</li> </ul>
<p><b><u>Explicit &amp; Official Institutions</u></b></p> <ul style="list-style-type: none"> <li>• Kabaka and chiefs (Bataka ; Bakungu) as traditional authorities</li> <li>• Colonial state as dominant authority – executive and legislative authority</li> <li>• Traditional patronage chiefs as colonial administrators</li> <li>• Constitutional and administrative rules with colonial state sanction</li> <li>• Land ownership from clan ownership to Crown and Mailo Land ownership</li> </ul>
<p><b><u>Implicit &amp; Communal Institutions</u></b></p> <ul style="list-style-type: none"> <li>• Baganda as a territorial brotherhood of families and clans held together by the Kabaka</li> </ul>
<p><b><u>Special Types of Institutions</u></b></p> <ul style="list-style-type: none"> <li>• Family and Clan</li> <li>• Buganda Kingdom</li> <li>• Colonial State</li> <li>• Plantations as preferred colonial commercial agricultural production entity</li> </ul>

### **Sector level context**

However the development of a plantation based commercial sector development of coffee does not ultimately define this phase of development of coffee in Uganda. What eventually emerged to guarantee the establishment of the coffee as a commodity in Uganda, was a set of institutions which had as its dominant defining characteristic the small holding cash cropper and not the plantation holder. The shift from an emerging plantation economy to a widely cultivated small holding cash crop economy came about at the end of the First World War and was a result of a dramatic collapse in world commodity prices. This “*external shock*” led to the abandonment of large scale commercial cotton and coffee growing in the country. Zwanenberg and King (1975: 63) note that "Under the onslaught - European plantation agriculture collapsed and the prospects of large scale white settlement in Uganda, which had seemed so bright faded to nothing".

Amongst the Africans, the collapse of plantation agriculture represented a new opportunity. In Buganda and the other southern areas (following the 1900 Buganda agreement and other related treaties) a land owning and tenant smallholding class had emerged. Africans were encouraged (and coerced – through the local administration system of patronage chiefs by the colonial administration) to cultivate food and cash crops. With the exodus of many large European plantations, Africans operating on a much smaller scale seized the opportunity (and were also eventually encouraged and coerced) and began small scale coffee growing. The coffee smallholding was thus created at this early stage of the sector’s evolution, establishing a pattern of agriculture that remains institutionally dominant to the present day.

This phase of development is therefore characterised by the early beginnings of what was to become the Uganda coffee sector. The coffee smallholding as an institution was created. Coffee in Uganda began to develop as a widespread activity involving peasant farmers and family based as well as migrant labour working on family owned small holdings. It became a part of much of Buganda's every day existence. Coffee emerged as a cash crop and with it an elaborate interplay of rules and regulations, practices and customs that defined roles and allocated specific activities in the sector to different groups and interests in the overall commercialisation and marketing of the product. The beginnings of the infrastructure and mechanisms needed to produce, process and trade the commodity locally and internationally were established. Africans produced coffee on smallholdings and colonial and foreign private interests carried out the processing and foreign trade<sup>14</sup>. From the 1920's commercial organisations dedicated to exploiting the commodity trade were active<sup>15</sup>. In addition, government regulated and intervened in the sector initially to protect (mainly) European farmers with more secure incomes to cushion them against vagaries of market, and eventually to ensure standards and practices to protect the quality and reputation of the industry. Thus the colonial authorities created the Coffee Industry Board (CIB) a new institution to regulate purchasing, processing and export of Coffee (Zwanenberg and King 1975). As cultivation of the crop expanded and concern for commercial reputation and export quality grew, further new coffee regulations were introduced. The 1932 Coffee Controls required all coffee to be processed through licensed curing work and all coffee buyers were to be licensed by government. The 1935 Native Produce Marketing Ordinance gave the colonial government the authority to restrict the trade of any African produced commodity. (Zwanenberg and King 1975)<sup>16</sup>.

Alongside the official colonial measures and restrictions there also developed a mix of norms and associated customary practices that worked in mutual support and reinforcement of each other adapting to and coexisting with each other. For example having been identified as a cash crop, it became the norm for African farmers to be encouraged and coerced to grow it. Buganda patronage chiefs (Bakungu) enforced cash crop growing and specific crop husbandry and management practices. Often the enforcement was harsh, and poor husbandry was severely punished with the whip (Kiboko) a term that came to be associated with obtaining quality coffee and eventually became the substitute name for a quality of coffee that has persisted to this day.

These unofficial norms of enforced cash-cropping and smallholding were further reinforced by unwritten restrictions enabled by the establishment of restricted controlled internal markets requiring colonial permit to export or participate in processing and trade<sup>17</sup>. Where farmers and traders agitated and managed to organise themselves into associations in attempts to gain greater control of production or processing they were frustrated by the licensing arrangements and or colonial regulations such as, for example

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<sup>14</sup> Africans were initially restricted from participating in processing and trade so commodity export trade remained in the hands of a few dominant European merchants

<sup>15</sup> Among them European agents and merchant companies such as Mitchell Cotts and Dalgety & Co.

<sup>16</sup> More government control followed during the war, when the government took more direct control of organising and directing the activities of the export companies and controlling the prices that growers could expect

<sup>17</sup> In the north of the country it became government policy to coerce Africans into paid labour rather than to establish themselves as smallholders.

the Coffee Controls, the Native Produce Ordances and the 1946 Cooperative Ordance (through which the colonial government was able to control industry participation to the benefit of the European framers and their commercial interests).

Table 2 below summarises the key distinguishing sector level institutions classified in accordance with the taxonomy advanced:

<b>Table 2 Colonial Period – Key Distinguishing Characteristics – Sector Level Institutions</b>
<p><b><u>Socio-Cultural Expressions of Identity, Values and Attitudes (inc. Myths, Beliefs and Ideologies)</u></b></p> <ul style="list-style-type: none"> <li>• “Okuta Omukago” Blood brotherhood rite with sharing coffee as a symbol relational commitment</li> <li>• Africans as members of a family and clan in traditionally established administrative and cultural relationship</li> </ul>
<p><b><u>Explicit &amp; Official Institutions</u></b></p> <ul style="list-style-type: none"> <li>• Ordances, controls and regulations creating coffee sector and coffee tree as a cash crop</li> <li>• Traditional chiefs as local administrators</li> </ul>
<p><b><u>Implicit &amp; Communal Institutions</u></b></p> <ul style="list-style-type: none"> <li>• Coffee beans as significant in traditional rites</li> <li>• Coffee cash cropping as a way of life – an inheritance</li> <li>• Coffee Growing and husbandry conventions</li> </ul>
<p><b><u>Special Types of Institutions</u></b></p> <ul style="list-style-type: none"> <li>• Coffee trade and export market</li> <li>• Plantations as initially preferred colonial commercial entities</li> <li>• Smallholding as enduring commercial entities</li> <li>• CIB as state sponsored regulatory organisation</li> <li>• Other Commercial organisations – Exporters, Processors and Cooperatives</li> </ul>

### **New institutional realities and implications**

The new institutional realities at the national and sectoral level changed the nature of political and social interactions and activities. This affected the society at a general level and had specific influences and implications within the coffee sector. The impact of the new developments was experienced through the new institutions themselves as well as through pre-existing institutions, norms and practices. Interactions and relationships between individuals, social groups and with the state were affected.

Firstly traditional institutions of authority and control – namely the Kabaka and his chiefs – became officially subject to the governor as the colonial representative of the crown. This meant that it was the colonial authority that was the lead political actor at state level and a new colonial interest had been introduced into the political and economic considerations of the rulers. Within the coffee sector this meant that the colonial administration could proscribe and define spheres of activity, control and influence that traditional chiefs could have and with whose authority they could assert them. Increasingly this assigned administrative chiefs with a new dual identity and authoritative status re-creating them as traditional *and* colonial administrators. This institutionally created evolution in identity made it possible for the colonial authority to co-opt the chiefs in their traditional role to work in service of the colonial administration using (and maintaining) pre-existing customary arrangements.

For the Baganda coffee growing farmers and peasants (Bakopi) the developments meant that they became simultaneously subjects of the Kabaka and of subjects of the Crown. Participation in the sector as growers subjected them to new rules which introduced them into new roles. As subjects of the Kabaka there was a duty of obedience to the Kabaka’s

wishes as expressed by the Bakungu (Patronage Chiefs). As colonial subject they were now subject to new rules about what activities were required and acceptable and which were not. The Bakungu in enforcing cultivation and cash cropping were subjecting them to the administrative force of the new colonial master in an accepted and expected guise of customary expectations of compliance; and with the recognised authority of traditional office.

In addition to the farmers the new developments offered a new source of income, dependent on their own industry and dedication and with returns that came back directly to them and through them to their relations. Coffee growing introduced husbandry practices that were repetitive and involving, needing to develop into habitual practices to ensure their regularity and completeness. Coffee growing became a way of life and the coffee tree a source of income and a traditional family responsibility. The paradoxical role and identity of the coffee tree as an inheritance and not just a commodity within Baganda society was conceived. Coffee became what it has remained for many years: a commodity so ordinary and common to everyday life that it is taken for granted and its commercial development is rarely evaluated; yet so distinctive, ready and available a source of cash income that its commercial value cannot be ignored.

For the new foreign commercial interests – initially the farmers and later the processors and exporters the establishment of the colonial state with its executive and rule making authority meant that ultimate political and legislative / judicial power had been taken away from traditional African authorities. This meant that as new groups they could be afforded status, and their commercial and property interests favoured and protected through the offices of the state and without direct reference to, or approval of customary practice and customary rules. Nationally the relative decline in prevalence and power of traditional and customary institutions was juxtaposed against the ascendance and growing dominance of the new colonial political, economic and administrative power. Within the coffee sector this meant that colonial administrative, regulatory and organisational institutional arrangements were the prime forces in shaping the direction and activities of the sector with the traditional institutions adapting and accommodating the new requirements. Colonial regulation relating to licensing, husbandry, purchasing, processing and trading may be seen in this light. Furthermore at least until the end of the Second World War, coalitions of power - collusion and accommodation between powerful groups of foreign commercialists, foreign colonialists and traditional authorities ensured that regulations that were passed and organisations that were created furthered the perceived shared interests of the Europeans<sup>18</sup>.

What gradually emerged over this period was a sector that was becoming ever more deeply embedded in local society and economy. At a national level the sector relied on colonial authority and colonial rule making to establish economic activity demarcations, role regulations and ensure their enforcement - creating new owners, labourers, enterprises and regulatory organisations. At a sector level what emerged was a socio-economy built on the interrelated participation of indigenous and foreign groups with mixed incentives for growing and marketing coffee: ranging from state encouragement

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<sup>18</sup> After the second world the increasing politicisation of African interests and demands and the emerging ideology of independence, Africanisation and self determination, as well as changes in British colonial policy shifted the focus from protecting European colonial interest to preparing nations for independence.

and protection of foreign commercial interests to administrative sanction of roles; traditional coercion of farmers to entrepreneurial response to new local opportunity. A mix of opportunity for new commercial return and personal reward; as well as simple, expected habitual compliance with traditional authority.

From an institutional perspective what evolved over the colonial period were sets of sector specific institutions that were nested within (and dependent on) national level institutions evolving from a traditional pre-colonial era to an era politically dominated by a new authoritative colonial state supported and reinforced by co-opted norms and customary practices. This new era comprised of a mix of the new and the pre-existing – blending together into a new integration of explicit and implicit rules. The creation this new institutional setting depended entirely on the new “brute” and institutional fact<sup>19</sup> of the modern colonial state established explicitly by agreement, executive orders and ordinances that could not be legally challenged. This new institutional setting was implicitly accommodated and enhanced through patronage, collusion and / or compulsion. Within the coffee sector the state’s early influence was dependent on the colonial co-opting of African chiefs as administrators using their traditional right to enforce rules within their own communities thus obtaining support of custom and traditional authority to ensure compliance. Its later evolution used the established colonial authority to create new state organisations with the authority and ability to implement the colonial executive intent to support as well as to enable the colonialists’ immediate commercial and agricultural interests.

Table 3 below summarises the taxonomic description the key distinguishing institutional characteristics, the factors influencing them and their development impact.

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<sup>19</sup> See John Searle (2005) for a discussion of brute and institutional facts in Searle, J. 2005, 'What is an Institution?', *Journal of Institutional Economics*, vol. 1, no. 1, pp. 1-22.

Table 3

	<b>Colonial Period – Defining Institutional Characteristics</b>	<b>Influencing factors sustaining pre-existing institutional reality</b>	<b>Influencing factors enabling new sector level institutional reality</b>	<b>Implications</b>
Socio-Cultural Expressions of Identity	<p><b><u>Nation Level</u></b>                      Subjects privileged by relationship to Kabaka “Kabaka Wange” (“My King”)                      Family and clan in traditional administrative and cultural relationship                      Kabaka - Supreme head of clans (Ssabataka) &amp; men (Ssabasaja)                      Notion of a brotherhood of relatives (Ab’Oluganda)                      Africans - Subjects of the Crown</p>	<p>Family and clan in traditional administrative and cultural relationship</p> <p>Figurehead and authority of the patronage and clan chiefs</p>	<p>Establishment of colonial executive and judicial function over the authority of the chiefs</p> <p>Family units organised in territories and clans answerable to traditional authority</p> <p>Administrative enforcement of foreign interests and colonial regulations using traditional chiefs</p>	<p>Availability of labour coffee growing on plantations and small holdings</p> <p>Introduction of husbandry practices</p>
	<p><b><u>Sector Level</u></b>                      “Okuta Omukago” Blood brotherhood rite with sharing coffee as a symbol relational acceptance and commitment</p>			
Explicit and Official Institutions	<p><b><u>Nation Level</u></b>                      Kabaka &amp; chiefs (Bataka) ; (Bakungu) as traditional authorities                      Colonial state as dominant executive &amp; legislative authority                      Patronage chiefs as colonial administrators                      Constitutional and administrative rules with colonial state sanction                      Land ownership from clan ownership to Crown and Mailo Land ownership</p>	<p>Privileged position of Kabaka and his notaries</p>	<p>Acceptance of chiefs dual authority enabling them to be co-opted into enforcing new regulations using traditional authority</p> <p>Establishment of land tenure</p> <p>New constitutional and administrative rules</p> <p>Regulatory ordinances affecting production, purchasing, processing, trading and export of coffee</p>	<p>Political &amp; administrative control introducing new models ownership and trade and ensuring property rights</p>
	<p><b><u>Sector Level</u></b>                      Ordinances, controls and regulations creating coffee sector and coffee tree as a cash crop                      Traditional chiefs as local administrators</p>			

	<b>Colonial Period – Defining Institutional Characteristics</b>	<b>Influencing factors sustaining pre-existing institutional reality</b>	<b>Influencing factors enabling new sector level institutional reality</b>	<b>Implications</b>
Implicit and Communal Institutions	<b><u>Nation Level</u></b> Baganda as a territorial brotherhood of relatives and clans held together by the Kabaka	Continuing attachment to relatives, clan and family territory	Habituation of husbandry practices and standards	Widespread familiarity with coffee  Coffee cash cropping as a way of life – an inheritance  High quality Robusta production
	<b><u>Sector Level</u></b> Coffee beans as significant in traditional rites Coffee growing habits and husbandry conventions		Relatives involvement in coffee growing  Coffee on family land inherited across generation	
Special types of institutions	<b><u>Nation Level</u></b> Family and Clan Buganda Kingdom Colonial State	Continuing adherence to clan and family	Creation of production, processing and trading roles – creation of a market for coffee combining assigning roles to local and foreign participants	Availability of organised labour with incentive to produce coffee  Market and market organisational institutions providing an access to markets
	<b><u>Sector Level</u></b> Coffee trade and export market Plantations as initially preferred colonial commercial entities Smallholding as enduring commercial entities CIB Other Commercial organisations – Exporters, Processors and Cooperatives		Development of new organisational entities to organise labour, regulate activities and enable differentiate roles within the market	

## **Concluding observations about the colonial phase - what changed ?**

The institutional changes at national and sector levels taken together represented a significant change in the rule making mechanisms of the society. They introduced a new authority and gave it the direct power to regulate and enforce particular patterns of socio-economic activity and behaviour. They enabled the new state authority to create new rules for rule making as well as new rules that allowed it to create and structure the activities, relationships and obligations between individuals, groups and the state. There were changes in rule making authorities, rules and rule patterns. This was evident at national level across the Buganda nation and evident too within the coffee sector. The Kabaka and his chiefs' traditional and customary authority no longer had judicial, administrative or political monopoly. Custom and tradition ceased to be the prime creators of law. Traditional organs of discussion and customary elaboration that involved the king and his chiefs in law making and adjudication began to be circumvented. Traditional chiefs and the Kabaka ceased being the sole embodiment of law, tradition and custom. This meant that within the emergent sector actors looked increasingly to the newly established institutions as sources of law and eventually as sources of law and of enforcement. Over time the socio-economic activities of individuals and groups in the sector were increasingly regulated and enforced by non-traditional institutions. These included the colonial controls and ordinances that created the overall legal and administrative rules that regulated activity in the sector, and eventually the Coffee Industry Board that acted as the arm of the state charged with overseeing the development and execution of state policy and observance and sanction of regulations.

With changes in authority came changes in the purpose and the interests guiding and informing the rules. The new authority – the colonial state - could introduce and guarantee rules to govern the sector in its own interest. These new rules were more concerned with promoting the growth of the sector and less concerned with preserving the traditional non market oriented subsistence economy. This meant that actors were faced with new rules that offered opportunities which led away from subsistence to cash cropping. The existence of a traditional administration willing to modify and include the new responsibility for policing and enforcing new regulations within their traditional role enabled effective enforcement. Effective enforcement and habitual compliance created new economic choices (e.g. relating to provision of land and labour for coffee growing) and activities (e.g. coffee planting, harvesting and drying). Africans' choices to participate as smallholding farmers were to become institutionalised within the now modified traditional setting – the cash crop small holding.

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